DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services 61 Forsyth Street SW, Suite 4T20 Atlanta, Georgia 30303



June 7, 2011

Craigan Gray, MD, MBA, JD Director Division of Medical Assistance North Carolina Department of Health and Human Services 2501 Mail Service Center Raleigh, North Carolina 27699-2501

Attn: Teresa Smith

Re: North Carolina State Plan Amendment 10-014

Dear Dr. Gray:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan NC 10-014 that was received in the Regional Office on September 28, 2010. This State plan amendment allows for Physician Services supplemental payments up to the Average Commercial Rate (ACR) for the medical professional providers employed by or affiliated with state-operated medical schools for the University of North Carolina and East Carolina University.

Based on the information provided, we are now ready to approve the Medicaid State Plan Amendment NC 10-014. This SPA was approved on June 6, 2011. The effective date of this amendment is July 1, 2010. We are enclosing the approved form HCFA-179 and plan pages.

If you have any questions, please contact Yvette Moore at 404-562-7327.

Sincerely,

/s/

Jackie Glaze Associate Regional Administrator Division of Medicaid and Children's Health Operations

Enclosures